Message Text

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INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 PA-02 PRS-01 /070 W

-----098064 240933Z/20

R 231820Z NOV 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0629

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION USNATO

AMCONSUL BELFAST

AMCONSUL EDINBURGH

UNCLAS LONDON 19236

USEEC ALSO FOR EMBASSY

USOECD ALSO FOR EMBASSY

DEPARTMENT PASS LABOR

E.O. 11652: N/A TAGS: ELAB, UK

SUBJECT: MARGINAL REDUCTION IN UNEMPLOYMENT

SUMMARY. UNEMPLOYMENT IN THE UK SHOWED A SLIGHT REDUCTION OVER THE MONTH TO MID-NOVEMBER, ACCORDING TO FIGURES RELEASED BY THE DEPARTMENT OF EMPLOYMENT ON NOVEMBER 22. TOTAL UNEMPLOYMENT FELL BY 19,242 TO UNCLASSIFIED

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1,499,094, OR 6.4 PERCENT OF THE WORKING POPULATION IN THE UK (I.E. INCLUDING ULSTER). FOR GREAT BRITAIN ONLY,THE NEW SEASONALLY ADJUSTED TOTAL IS 1,369,384. THE IMPROVEMENT IS DUE TO A DECREASE IN THE NUMBER OF UNEMPLOYED SCHOOL LEAVERS, DOWN BY 25,176 TO 73,451 IN THE UK. THIS DECREASE, WHICH INDICATES THAT 88.9 PERCENT OF 1977 SCHOOL LEAVERS HAVE NOW FOUND JOBS MORE

THAN COMPENSATES FOR THE INCREASE IN ADULT UK UNEMPLOYMENT TO 1,425,643 (A RISE OF 5,934). THE CRUDE (I.E. UNADJUSTED) TOTALS OF ADULT AND YOUTH VACANCIES BOTH SHOWED REDUCTIONS DURING THE MONTH, THOUGH SEASONAL ADJUSTMENTS RESULT IN A SMALL RISE IN TOTAL VACANCIES. IN THE UK THERE WERE 177,635 VACANCIES NOTIFIED TO GOVERNMENT AGENCIES, SHOWING A REDUCTION OF 10,065 OVER THE PREVIOUS MONTH. AFTER SEASONAL ADJUSTMENTS THE VACANCY FIGURES SHOW AN INCREASE OF 2,200 TO 155,600. THE COMPARABLE FIGURES FOR GREAT BRITAIN SHOW A TOTAL OF 165,922 VACANCIES (DOWN BY 9,836) AND A SEASONALLY ADJUSTED TOTAL OF 153,600 (UP BY 2,200). END SUMMARY.

1. MONTHLY UNEMPLOYMENT DATA RELEASED BY THE DEPARTMENT OF EMPLOYMENT SHOW A SLIGHT REDUCTION IN UNADJUSTED UNEMPLOYED TOTALS IN THE UK. THE FIGURES CONTAIN MIXED NEWS FOR THE GOVERNMENT. ALTHOUGH THE RAPID REDUCTION IN YOUTH UNEMPLOYMENT AND THE NEWS THAT THE EMPLOYMENT SUPPORT PROGRAMS ARE KEEPING 250,000 OFF THE REGISTER WILL COME AS SOMETHING OF A BOOST, THE UNDERLYING TREND OF ADULT UNEMPLOYMENT SHOWED A SLIGHT RISE. THE YOUTH UNEMPLOYMENT DATA INDICATE THAT 1977 SCHOOL LEAVERS ARE FINDING JOBS MORE EASILY THAN HAD BEEN EXPECTED WITH 88.9 PERCENT NOW HAVING FOUND WORK. AT PRESENT THERE ARE 73,451 UNEMPLOYED SCHOOL LEAVERS. EQUALLY THE STATISTICS SHOW THAT GOVERNMENT EMPLOYMENT UNCLASSIFIED

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MEASURES ARE CURRENTLY ASSISTING 320,000 PEOPLE.

2. WHILE RECENT DATA INDICATE A SLOWING IN THE RISE IN UNEMPLOYMENT, THE LARGE JOBLESS TOTAL REMAINS A SOURCE OF DIFFICULTY FOR THE GOVERNMENT IN ITS RELATIONS WITH THE TRADE UNIONS. THE NOVEMBER FIGURES ARE THE HIGHEST IN NEARLY 40 YEARS, AND THE CONSERVATIVE PARTY OPPOSITION SPOKESMAN ON EMPLOYMENT (JIM PRIOR) SEIZED ON THIS POINT TO STRESS THAT THE PROSPECTS FOR THE WINTER REMAIN BLEAK. IT IS ALSO SOMEWHAT EMBARRASSING FOR THE GOVERNMENT TO BE FACED WITH RELATIVELY STABLE OR IMPROVING UNEMPLOYMENT WHILE PRODUCTION CONTINUES TO SHOW LITTLE IMPROVEMENT. THE INFERENCE DRAWN IS THAT THE TREND IN PRODUCTIVITY REMAINS A CENTRAL PROBLEM FOR ECONOMIC RECOVERY.

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Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a **Current Classification: UNCLASSIFIED**

Concepts: UNEMPLOYMENT, DATA, WORKING CONDITIONS

Control Number: n/a

Copy: SINGLE Sent Date: 23-Nov-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am Decaption Note:

Disposition Action: n/a Disposition Approved on Date: Disposition Case Number: n/a Disposition Comment:

Disposition Date: 01-Jan-1960 12:00:00 am Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON19236
Document Source: CORE

Document Unique ID: 00 Drafter: n/a

Enclosure: n/a Executive Order: N/A Errors: N/A

Expiration: Film Number: D770436-0664 Format: TEL

From: LONDON USEEC Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19771126/aaaaawbd.tel Line Count: 111

Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 11c81e13-c288-dd11-92da-001cc4696bcc

Office: ACTION EUR

Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 3
Previous Channel Indicators: n/a Previous Classification: n/a
Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags: Review Date: 02-Feb-2005 12:00:00 am

Review Event: Review Exemptions: n/a

Review Media Identifier: Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 477792 Secure: OPEN Status: NATIVE

Subject: MARGINAL REDUCTION IN UNEMPLOYMENT SUMMARY. UNEMPLOYMENT IN THE UK SHOWED A SLIGHT RE-DUCTION OVER THE

MONTH TO MID-NOVEMBER, ACCORDING TAGS: ELAB, UK

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/11c81e13-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released **US** Department of State EO Systematic Review 22 May 2009

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009